

Visa International  
Ed Jensen Letter, First Draft 6/15/96

Dear Member:

*It would be like a World Cup soccer match where, with only five minutes remaining in the game, the side which is down 10 to 1 suddenly asks to "borrow" the opposing team's star strikers, a midfielder or two, and maybe a key defender.*

That's how one of our Members aptly described the recent overtures to banks by American Express to "borrow" the exclusive global network and remarkable partnership built by Visa Members during the past 25 years.

Visa does not plan to let fierce competitors "borrow" our Members' winning assets. At our recently completed All Board Meetings in Montreal, the International Board of Directors took a strong stand on maintaining the rigorous inter-system competition that has benefitted your bank as well as your customers and merchants. The Board decided that Visa Members' long term investment in building the industry's superior global brand and network would be seriously diluted by Member issuance of competing card products, especially those from American Express.

To meet these competitive challenges head on, the International Board delegated to Visa's six Regional Boards the responsibility to develop their own strategies to continue to strengthen the vitality of the Visa brand. The International Board also pledged to monitor closely the progress of the regions' efforts, reiterating that Visa Members would not be welcoming Trojan Horses from AmEx — or any other competitor posing as partners.

In that spirit, I thought you'd find interesting the attached memo compiled from our colleagues' reports around the world, and which clearly demonstrates the true intentions of AmEx. It shows again how AmEx will stop at nothing to achieve its goals of taking business away from banks.

All of this underscores the fundamental difference between Visa — which you own and control — and AmEx. Visa is an acceptance brand that adds value to your proprietary relationship brand. AmEx is a global relationship brand competing directly with your brand.

More to the point, Visa is an enabler and facilitator for Members. Whether it be in products, technology, systems or marketing, Visa will continue to explore new ways of enabling and facilitating all aspects of our mission, which is to help sustain Member pre-eminence, profitability and competitiveness in the financial services industry.

AmEx's mission is simple — just replace Member with AmEx, and add the fact that it will target banks and their business in order to achieve its goals.

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In a global marketplace where brands and distribution networks are the demarkation points between the winners and losers, there's no contest who the long distance winners will be in the financial services industry today and tomorrow — Visa Members.

I welcome your comments and observations about these important competitive issues facing Visa today. And, I look forward to working closely with you in the months ahead as together we work to leverage the global brand power and unparalleled network of Visa.

Sincerely,

Ed Jensen

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